

PUBLIC HEARING  
BEFORE THE  
CALIFORNIA ENERGY RESOURCES CONSERVATION  
AND DEVELOPMENT COMMISSION

In the Matter of:	)	
	)	
Regulations to Approve the	)	
Certifiers and Technical	)	Docket No.
Assistance Providers for the	)	3-QCTA-1
California Climate Action	)	
Registry	)	
	)	

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CALIFORNIA ENERGY COMMISSION

1516 NINTH STREET

HEARING ROOM B

SACRAMENTO, CALIFORNIA

THURSDAY, JULY 7, 2005

1:37 P.M.

Reported by:  
Christopher Loverro  
Contract No. 150-04-002

PETERS SHORTHAND REPORTING CORPORATION (916) 362-2345

CEC STAFF PRESENT

Jeff Wilson

Pierre H. duVair

Lisa DeCarlo

PETERS SHORTHAND REPORTING CORPORATION (916) 362-2345

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## P R O C E E D I N G S

1:37 p.m.

MR. WILSON: Good afternoon. My name is Jeff Wilson; I'm with the climate change program. And we're here to hold a workshop on regulations to improve the certifiers and technical assistance providers for the California Climate Action Registry.

On February 16th of 2005 the California Energy Commission adopted regulations to implement its responsibilities regarding the California Climate Action Registry.

The Registry assists and enables participating entities to voluntarily record their annual greenhouse gas emissions in a consistent and credible format.

The regulations were adopted and submitted to the Office of Administrative Law. And subsequently the Office of Administrative Law disapproved the regulations. And in order to respond to these problems we are holding this workshop today.

Really the bulk of the workshop will simply be going over an attachment to the workshop notice which is the expert opinion of Jeff Wilson.

1 (Laughter.)

2 MR. WILSON: Myself. So the basis for  
3 the decision to require two years of experience  
4 for technical assistance providers and certifiers,  
5 both general and specific, in sections 2811, 2821  
6 and 2822.

7 Two years of greenhouse gas or other air  
8 emissions related experience is the minimum amount  
9 of experience needed to gain competence in the  
10 various areas identified. Evaluating GHG  
11 emissions inventory is a relatively new field and  
12 not many firms have direct experience, but may  
13 have all of the necessary skills required to  
14 certify a GHG inventory.

15 Therefore, the regulations permit firms  
16 that have experience in evaluating other air  
17 emissions-related experience to satisfy the  
18 experience required.

19 We considered requiring a greater or  
20 lesser amount of experience, but concluded that  
21 three years was too constraining, and would  
22 eliminate otherwise qualified individuals. And  
23 one year of experience was too lax and would  
24 potentially jeopardize the quality of services  
25 provided to the Registry members if adopted.

1           Over a two-year period the company could  
2     perform several emissions evaluation tests,  
3     analyze results under varying physical  
4     environmental and climatic conditions and gain  
5     confidence from feedback comments and scrutiny of  
6     results.

7           Therefore, two years of GHG or other air  
8     emissions-related experience was deemed to be the  
9     most appropriate.

10          The basis for the decision to require  
11     insurance in the amount of \$1 million in section  
12     2820, the proposed regulations set \$1 million as  
13     the appropriate amount of insurance to be carried  
14     by the Registry certifiers. \$1 million of  
15     insurance is considered adequate to cover any  
16     potential liability, but not too much to be  
17     burdensome on companies contracting with the  
18     Registry members.

19          The specific terms of the contract a  
20     certifier may have with a Registry member will be  
21     determined by the certifier and Registry member  
22     while negotiating for certification of services.  
23     These terms may include liability for the value of  
24     potential greenhouse gas emissions credits. This  
25     value will vary from company to company, but for

1       some companies it could be on the order of \$1  
2       million in future market conditions.

3               Therefore, insurance in the amount of \$1  
4       million is the most appropriate amount of  
5       insurance to require an applicant to have.

6               The basis for decision in section 2831  
7       to required a minimum score of 80 percent in  
8       satisfaction of the criteria in appendix B, a  
9       score of 80 percent in appendix B represents a  
10      minimum amount of proficiency in the subject  
11      matter that would still insure competency to  
12      perform the necessary work.

13              Requiring a score of more than 80  
14      percent would be too constraining and would risk  
15      eliminating qualified applicants. Requiring a  
16      score of less than 80 percent would be too lax and  
17      would risk qualifying applicants who could not  
18      competently perform the necessary duties.

19              The 80 percent threshold is also  
20      consistent with state government bidding  
21      requirements for relatively new contract  
22      functions. Therefore, a minimum score of 80  
23      percent is the most appropriate minimum score to  
24      qualify certifiers.

25              The basis for decision to allot the

1 specific points for each criteria in appendix B.  
2 The number of points selected for the enumerated  
3 categories is the most appropriate number of  
4 points for the evaluation criteria for certifiers.  
5 Experience in the various categories has maximum  
6 value of 10 points per category. Whereas  
7 knowledge in the various categories have a maximum  
8 value of 2 points.

9 This reflects the greater importance  
10 placed on demonstrated experience over knowledge  
11 in qualifying certifiers. Experience weighs more  
12 heavily because it is a better indicator of an  
13 applicant's ability to competently perform the  
14 necessary work.

15 This is the sum of the points in the  
16 regulations that we needed to clarify. The body  
17 of the regulations are attached to the notice.  
18 And at this point we can open the workshop for  
19 public comment on any other points regarding the  
20 regulations.

21 And, Pierre, would you like to say  
22 anything in support of the regulations?

23 DR. duVAIR: Pierre duVair with the  
24 California Energy Commission Climate Change  
25 Program.



1 I'd just like to say a couple things.  
2 One is that I'd like to thank both Jeff Wilson and  
3 Lisa DeCarlo for their untiring efforts on trying  
4 to complete this regulation package, which is  
5 really the first sort of -- well, the first  
6 regulatory package that we have related to  
7 voluntary reporting of greenhouse gases. We've  
8 provided technical guidance in the past, but this  
9 is sort of the first significant regulatory  
10 package. So I just want to extend thanks to both  
11 of you two for working so hard on this for so  
12 long.

13 (Laughter.)

14 DR. duVAIR: And I just do want to  
15 comment that the state's role in this approval  
16 process is relatively minimal here. We are really  
17 putting the bulk of the burden on the Registry.  
18 They're going to be handling the case-by-case  
19 evaluation of conflict of interest.

20 And while the enabling statutes didn't  
21 call out a conflict of interest as a really  
22 important part of this approval process, I think  
23 that our climate change program has come to feel  
24 that conflict of interest is a very important part  
25 to bring credibility to this voluntary Registry,

1 to the reported results of this Registry.

2 So, this is sort of ceding that  
3 responsibility to the Registry and I hope that  
4 they will take that responsibility very seriously;  
5 because, in the long run, that will affect  
6 certainly the public perception of results  
7 reported at this Registry.

8 So, thanks again for all your hard work  
9 and I look forward to continuing working with the  
10 Registry. And I believe that we do hope to launch  
11 a request for new certifiers and potentially  
12 technical assistants as soon as this package is  
13 finalized.

14 Thanks.

15 MR. WILSON: Okay. Thank you, Pierre.  
16 If there are any questions from the public, we are  
17 open to questions at this time.

18 And if there are none, no comments, then  
19 the meeting will be adjourned. Thank you.

20 (Whereupon, at 1:47 p.m., the hearing  
21 was adjourned.)

22 --o0o--  
23  
24  
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## CERTIFICATE OF REPORTER

I, CHRISTOPHER LOVERRO, an Electronic Reporter, do hereby certify that I am a disinterested person herein; that I recorded the foregoing California Energy Commission Hearing; that it was thereafter transcribed into typewriting.

I further certify that I am not of counsel or attorney for any of the parties to said hearing, nor in any way interested in outcome of said hearing.

IN WITNESS WHEREOF, I have hereunto set my hand this 12th day of July, 2005.

PETERS SHORTHAND REPORTING CORPORATION (916) 362-2345□